

**ASSEMBLY BILL**

**No. 1864**

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**Introduced by Assembly Members Audra Strickland and Galgiani**

February 12, 2010

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An act to amend Section 16531.1 of the Government Code, relating to Medi-Cal, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1864, as introduced, Audra Strickland. Medi-Cal: HIV drug treatment: developmental services: provider reimbursement.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons.

Existing law creates the continuously appropriated Medical Providers Interim Payment Fund, for the purposes of paying Medi-Cal providers, providers of drug treatment services for persons infected with HIV, and providers of services for the developmentally disabled, on and after July 1 and before September 1, of the fiscal year for which a budget has not yet been enacted or there is a deficiency in the Medi-Cal budget in any fiscal year, and transfers or appropriates, for each fiscal year in which these payments are necessary, up to \$1,000,000,000 from the General Fund, in the form of loans, and \$1,000,000,000 from the Federal Trust Fund, to the Medical Providers Interim Payment Fund.

This bill would, instead, provide that these transfers to the Medical Providers Interim Payment Fund shall be in an amount sufficient to make continued payments to the above-described providers on or after July 1 of the fiscal year for which no budget has been enacted until the date upon which a budget is enacted for that year or when there is a deficiency in the Medi-Cal budget. To the extent that the bill would

increase the amount transferred into a continuously appropriated fund, this bill would make an appropriation.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 16531.1 of the Government Code is  
2 amended to read:  
3 16531.1. (a) Notwithstanding any other provision of law and  
4 without regard to fiscal year, if the annual State Budget is not  
5 enacted by June 30 of any fiscal year preceding the fiscal year to  
6 which the budget would apply or there is a deficiency in the  
7 Medi-Cal budget during any fiscal year, both of the following shall  
8 occur:  
9 (1) (A) The Controller shall ~~annually~~ transfer from the General  
10 Fund, in the form of one or more loans, an amount ~~not to exceed~~  
11 ~~a cumulative total of one billion dollars (\$1,000,000,000) in any~~  
12 ~~fiscal year, to the Medical Providers Interim Payment Fund, which~~  
13 ~~is hereby created in the State Treasury. Notwithstanding Section~~  
14 ~~13340 of the Government Code, the Medical Providers Interim~~  
15 ~~Payment Fund is hereby continuously appropriated for the purpose~~  
16 ~~of making sufficient to make continued payments to Medi-Cal~~  
17 ~~providers, providers of services under Chapter 6 (commencing~~  
18 ~~with Section 120950) of Part 4 of Division 105 of the Health and~~  
19 ~~Safety Code, and providers of services under Division 4.5~~  
20 ~~(commencing with Section 4500) of the Welfare and Institutions~~  
21 ~~Code, on or after July 1 of the fiscal year for which no budget has~~  
22 ~~been enacted and before September 1 of that year or for the purpose~~  
23 ~~of making payments to Medi-Cal providers, providers of services~~  
24 ~~under Chapter 6 (commencing with Section 120950) of Part 4 of~~  
25 ~~Division 105 of the Health and Safety Code, and providers of~~  
26 ~~services under Division 4.5 (commencing with Section 4500) of~~  
27 ~~the Welfare and Institutions Code, during the period in which the~~  
28 ~~Medi-Cal program has a deficiency. Payments shall be made~~  
29 ~~pursuant to this subdivision if both to the Medical Providers~~  
30 ~~Interim Payment Fund, which is hereby created in the State~~  
31 ~~Treasury. Notwithstanding Section 13340, the Medical Providers~~  
32 ~~Interim Payment Fund is hereby continuously appropriated without~~

1 regard to fiscal year for the purpose of making payments in either  
2 of the following ~~conditions have been met~~ ways:

3 (i) On or after July 1 of the fiscal year for which no budget has  
4 been enacted, and until the date upon which a budget is enacted  
5 for that year, to Medi-Cal providers, providers of services under  
6 Chapter 6 (commencing with Section 120950) of Part 4 of Division  
7 105 of the Health and Safety Code, and providers of services under  
8 Division 4.5 (commencing with Section 4500) of the Welfare and  
9 Institutions Code.

10 (ii) During the period in which the Medi-Cal program has a  
11 deficiency, to Medi-Cal providers.

12 (B) Payments shall be made pursuant to this subdivision if both  
13 of the following conditions have been met:

14 ~~(A)~~

15 (i) An invoice has been submitted for the services.

16 ~~(B)~~

17 (ii) Payment for the services is due and payable and the State  
18 Department of Health Services determines that payment would be  
19 valid.

20 (2) For any fiscal year to which this subdivision applies, there  
21 is hereby appropriated ~~the sum of one billion dollars~~  
22 ~~(\$1,000,000,000)~~ an amount of money that is sufficient to make  
23 additional continued payments to the providers described in  
24 paragraph (1) on or after July 1 of the fiscal year in which no  
25 budget has been enacted and until the date upon which a budget  
26 is enacted for that year, or during the period in which the Medi-Cal  
27 program has a deficiency, from the Federal Trust Fund to the  
28 Medical Providers Interim Payment Fund.

29 (b) Upon the enactment of the annual Budget Act or a deficiency  
30 bill in any fiscal year to which subdivision (a) applies, the  
31 Controller shall transfer all expenditures and unexpended funds  
32 in the Medical Providers Interim Payment Fund to the appropriate  
33 Budget Act item.

34 (c) The amount of any loan made pursuant to subdivision (a)  
35 and for which moneys were expended from the Medical Providers  
36 Interim Payment Fund shall be repaid by debiting the appropriate  
37 Budget Act item in accordance with the procedure prescribed by  
38 the Department of Finance.

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